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AD/ORE thru S/PP

20 July 1950

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Comments on State/Defense Staff Study

1. This proposal represents a critical threat to the existence of ORE/CIA and to the whole concept of central intelligence. It calls for the strongest possible reply by the Director if any results are to be gained.

2. It is essential that we understand the motivation of this proposal in order properly to counter it. While behind it is obviously the desire of the IAC agencies to get CIA functions back under their own control, the peg on which they have hung it is perfectly clear. This proposal is an answer to ORE's temporizing reply to NSC 50. In NSC 50 we were told to put our own house in order along the lines of the Dulles Report. We didn't do so, and now they are doing it for us, at our expense.

3. In meeting a challenge of this type, we cannot confine ourselves to a mere negative refutation of the State/Defense case and hide behind the National Security Act. We all recognize that, as State says, we are not producing the best national intelligence and there is confusion of responsibility within CIA. Therefore our reply must: (a) frankly indicate a recognition of the present unsatisfactory situation; (b) shift the blame for this largely to the IAC agencies for their lack of cooperation; and (c) state clearly that steps have already been taken (if possible immediately) to rectify the situation. Only by such a positive approach, can we, in my opinion, hope to side-track this full scale attack.

4. I suggest that a positive reply should include -- clearly, simply, and forcefully, the following points:

A. We must make it crystal clear that the State/Defense proposal marks a reversion to the unsatisfactory wartime system of "intelligence by committee" which CIA was specifically created to remedy. We should not try to equate two conflicting theories of intelligence (i.e. centralized control vs. the British committee system) as does the COPS draft reply, but should take our stand unequivocally in favor of centralized intelligence.

B. In fact, we should go further and state that it is the very remnants of the old system -- the continuation of divided

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20 JUL 1950  
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responsibility, etc. -- which have made it so difficult for CIA to work. Therefore, if the present situation is unsatisfactory, the remedy is more centralization, not less.

C. The Staff Study talks of unwarranted duplication of effort between the various agencies. Is the solution to this a return to the old system of collective responsibility with its vast duplication of intelligence organizations or to proceed even further on the road to centralization by concentrating even more functions in one central agency, i.e. CIA.

D. We should clearly place the blame for the present unsatisfactory situation on the lack of cooperation of the very agencies which are making this proposal. We can back up with facts a complaint that if the IAC agencies had not been effectively blocking ORE, we might have been able to produce better national intelligence.

E. We can hammer at the point that the new proposal would eliminate the one key advantage of CIA -- that it is independent and unbiassed -- and would revert to making the production of national intelligence dependent upon agreement between competing agencies. The old "lowest common denominator" would come back into play.

F. The proposed new IAC, IAC Staff, NIG, etc. would be awkward and cumbersome, and instead of expediting and improving the production of national intelligence would make it more complicated, lengthy, and insipid.

5. While the above points can be used to refute the State/Defense case, we should not stop there. This latest proposal is the culmination of a long series of criticisms and cannot any longer be met by a purely negative approach. Instead we must take the offensive ourselves and present our own concrete proposals for remedying the situation. As I see it, these would take two lines:

A. Clarification of CIA's responsibilities in the direction of greater centralization, instead of decentralization. We should call for more not less authority for the DCI, and submit our omnibus revised NSCID to carry it out.

B. Reorganization of ORE. The time has come when we must clearly face the repeated criticisms of the Dulles report, the Hoover Commission, the Reitzel Committee, the Stout Committee, NSC 50, and now the State/Defense Staff Study that there is indeed "within the CIA (ORE) a confusion between the responsibility for producing national estimates and responsibility for miscellaneous research and

reporting." It is obvious, moreover, from these studies that the only solution which will satisfy these critics is the establishment of a separate Estimates Group. I believe that, even now, we can steal the thunder right out from under the State/Defense proposal by establishing immediately our own National Estimates Staff, not under any revised IAC, but under our own wing. I cannot see how anything short of this will meet the persistent and long continued criticism which has culminated in this latest proposal. Regardless of the merits of a separate Estimates Staff or whether in time we could evolve a more perfect system, there is no question but that this is what our critics want, and they will not be satisfied with less. We have moreover, a perfect opportunity to state that we have already established a Special Staff headed by the AD/ORE himself as the nucleus for this purpose and that we are proceeding immediately to expand and perfect it, including, if desired, representation from the other IAC agencies.

The very existence of a central, independent intelligence estimating facility is at stake in the present proposal. I believe strongly, myself, that nothing less than the strongest possible rebuttal coupled with a positive constructive effort to meet all criticisms will suffice to save ORE from amputation, if not worse.

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